



Energy Storage R.10-12-007

Cost-Benefit Analysis Models



Arthur O'Donnell & Alope Gupta
Energy Division
Grid Planning & Reliability
September 24, 2012





Remote Access

WebEx Information

Meeting Number: 740-132-105

Meeting Password: e-storage

Go to:

<https://van.webex.com/van/j.php?ED=189576572&UID=491292852&PW=NNjBkYTE3ZGM0&RT=MIM0>

Call in #:

866-758-1675

Passcode:

3481442

*Note: *6 to mute/unmute*

Upon entry to the call, please place yourself on mute, and remain on mute unless you are asking a question





Workshop Goals

- To introduce models and tools for conducting cost-benefit analysis of specific energy storage Use Cases:
 - EPRI/E3 Energy Storage Valuation Tool (ESVT)
 - DNV KEMA ES Select & Distribution Modeling
- To review and discuss operational considerations and assumptions that should be incorporated in the analysis, and
- To provide status update of the development of various storage Use Cases.





Agenda for the Workshop

Action Item		Time Allotted	Clock
Introductions		15 minutes	9:30 am – 9:45 am
Review Use Cases		60 minutes	9:45 am – 10:45 am
Break		15 minutes	10:45 am – 11:00 am
EPRI/E3 Methodology		60 minutes	11:00 am – 12:00 pm
Lunch		60 minutes	12:00 pm – 1:00 pm
Use Case Examples EPRI/E3		60 minutes	1:00 pm – 2:00 pm
Break		15 minutes	2:00 pm – 2:15 pm
DNV KEMA -- ES Select		30 minutes	2:15 pm – 2:45 pm
Use Case Examples DNV KEMA		60 Minutes	2:45 pm – 3:45 pm
Wrap Up		15 minutes	3:45 pm – 4:00 pm





Elements of Energy Storage Use Cases

1. Overview Section
2. Use Case Description
3. Cost/Benefit Analysis
4. Barriers Analysis & Policy Options
5. Real World Example
6. Conclusion and Recommendations





Analysis of Energy Storage Use Cases

- Commercial readiness
- Operational viability
- Benefit streams
 - Benefits monetize through existing markets/mechanisms
 - If not, how should they be valued?
- Cost-effectiveness
- Most important barriers preventing /slowing deployment of ES
- Policy options to address identified barriers
- Consider procurement target or other policies to encourage ES





Prioritized Scenarios/Use Cases

<u>Scenario/Use Case</u>	<u>Primary End Use</u>	<u>Lead</u>
<ul style="list-style-type: none"> • Generator-sited Storage <ul style="list-style-type: none"> – Co-located with VER – Co-located with Conventional Gen – Co-located with Wholesale DG 	<ul style="list-style-type: none"> Renewables integration Peaking capacity Renewables integration 	SCE
<ul style="list-style-type: none"> • Bulk “Generation” <ul style="list-style-type: none"> – Bulk Storage – Storage as “Peaker” – Ancillary Services 	<ul style="list-style-type: none"> Energy/Ramping Ancillary Services/Capacity/Energy Ancillary Services 	PG&E
<ul style="list-style-type: none"> • Distributed Storage <ul style="list-style-type: none"> – Distributed Peaker – Distribution Storage – Community Energy Storage 	<ul style="list-style-type: none"> Energy cycling to meet peak Defer upgrades Local service reliability 	SDG&E
<ul style="list-style-type: none"> • Demand-Side Management End-use bill management <ul style="list-style-type: none"> – Permanent load shift – On-site renewables with storage – PV Charging 		CESA
		CPUC





Thank You!

**For further information related to R.10-12-007
please contact :**

**Arthur O'Donnell ao1@cpuc.ca.gov
415-703-1184**

**Aloke Gupta ag2@cpuc.ca.gov
415-703-5239**

